

The Interplay Between Social Culture and Brand Culture in Consumer Decision-Making: A Decadal Study of Geely-Volvo in China

Huan Liu

NorthHiking Technologies Co. Ltd, Chengdu, Sichuan, 610000, China

liuhuanlh@hotmail.com

Abstract. This longitudinal study examines the dynamic relationship between Chinese social culture and Volvo's brand culture reconstruction following Geely's acquisition (2010-2023). Through qualitative analysis of interviews and archival data, the research identifies a two-phased cultural integration model. An initial "hands-off" approach proved crucial for preserving brand authenticity and preventing consumer trust erosion, while the subsequent synergy phase successfully blended Volvo's Scandinavian heritage with Chinese innovation. This process was mediated by rising Chinese nationalism and community networks (*guanxi*), transforming the acquisition into a source of consumer pride. The study offers both theoretical insights into cultural transitions and practical frameworks for managing cross-border acquisitions in culturally sensitive markets.

Keywords: Brand Culture; Social Culture; Consumer Decision-Making; Geely; Volvo; China.

1. Introduction

Cross-border acquisitions often fail to preserve brand authenticity in culturally distant markets [1], as seen in cases like Kraft-Cadbury [2]. Geely's 2010 acquisition of Volvo, initially met with skepticism, provides a compelling case to examine the interplay between social and brand culture over time. Existing research frequently overlooks the nuanced process of post-acquisition cultural reconnection with consumers [3, 4] and often employs static models [5]. This longitudinal study addresses this gap by investigating how a reconstructed brand culture, mediated by Chinese social culture, shaped consumer perceptions and decisions over a critical decade.

2. Literature Review

2.1 Consumer Decision-Making in Dynamic Contexts

The consumer decision-making process in post-acquisition contexts is not a single event but an extended, circular journey of evaluation. The McKinsey Consumer Decision Journey [6,7] provides a robust framework for understanding this process, highlighting the continuous loop of consideration, evaluation, purchase, and post-purchase experience. Within this journey, "moments that matter" [8] represent critical junctures—such as ownership changes—where brand authenticity is most vulnerable and consumer perceptions are most malleable.

2.2 Brand Culture and Identity Reconstruction

Brand Culture Theory [9] posits that brands function as cultural entities, whose value is derived from the meanings they hold for consumers. An acquisition constitutes a fundamental shock to this cultural system, initiating a necessary re-negotiation of the brand's "cultural contract" with its audience [10]. The process of post-acquisition brand identity reconstruction involves managing the tension between maintaining cherished heritage and introducing new, synergistic elements [11].

2.3 The Chinese Socio-Cultural Context

In China's automotive market, consumer trust and purchase decisions are profoundly influenced by unique social dynamics. Research consistently shows that Chinese consumers place a high

premium on brand authenticity and cultural congruence [12]. Furthermore, consumption is increasingly intertwined with expressions of national identity [13]. The concepts of guanxi (social networks and connections) and mianzi (face) remain potent, albeit evolving into digital realms like social media and online communities [14]. The Geely-Volvo case represents a quintessential example of this "dual-culture" challenge, where global brand identity must be reconciled with potent local social forces.

3. Methodology

This research employed a longitudinal, qualitative single-case study design [15], which is particularly suited for investigating complex "how" and "why" questions in a real-world context. The qualitative approach allows for a deep, contextual understanding of complex processes [16].

Data collection followed the principle of triangulation to ensure validity and richness. Primary data consisted of 40 semi-structured interviews with senior and middle managers from Geely and Volvo, spanning functions such as marketing, branding, public relations, and R&D, conducted between 2022 and 2023. Secondary data included extensive archival analysis of press releases, annual reports, official speeches, and sentiment analysis from Chinese social media platforms.

Data analysis was conducted in two primary stages. First, an initial within-case analysis employed thematic coding techniques, using a blend of deductive codes derived from the literature (e.g., "brand authenticity," "nationalism") and inductive codes emerging from the data itself. Second, Logic Model Analysis [17] was used to trace the causal pathways connecting Geely's strategic decisions with long-term consumer outcomes, ensuring the research design adhered to established standards of rigor

4. Findings and Discussion

The analysis revealed a two-phased model of cultural integration. The initial Strategic Preservation phase (2010-2013) employed a "hands-off" approach centered on a "Volvo is Volvo" narrative. This was crucial for stabilizing the brand during the "Consideration" phase of the consumer journey, as it directly safeguarded brand authenticity [18] and prevented the consumer distrust seen in acquisitions like Kraft-Cadbury [19].

After trust was established, the Strategic Synergy phase (2014-2023) enacted a "Dual-Culture Leverage" model. This phase was characterized by shared technology platforms and localized narratives that framed local production as "bringing world-class quality home," a message aligning with rising Chinese nationalism [20]. The success of this synergy was profoundly mediated by Chinese social culture, where modern guanxi networks [21] in online communities provided vital social proof during the "Evaluation" stage, transforming the acquisition into a source of national pride.

5. Conclusion

This decade-long investigation demonstrates that successful post-acquisition brand management in culturally complex markets requires a temporally-sensitive, phased strategy. The Geely-Volvo case illustrates that initial, unequivocal trust-building through heritage preservation is a prerequisite for any deeper integration. The study elucidates the critical mechanisms of the "Dual-Culture Leverage" model, showing how a reconstructed brand culture, when artfully aligned with potent social forces, can positively influence the entire consumer decision journey.

The study offers several key contributions. Theoretically, it enriches Brand Culture Theory by demonstrating that brand culture can be dynamically and successfully evolved through strategic cultural leverage rather than mere assimilation. It also extends the Consumer Decision Journey model by highlighting the mediating role of social culture in defining "moments that matter." The "Dual-Culture Leverage" model itself provides a valuable framework for understanding synergy potential in cross-border M&A.

For practitioners, the research offers a clear roadmap: 1) Implement a disciplined, phased integration prioritizing initial trust-building; 2) Identify and communicate synergies that deliver concrete consumer value; 3) Maintain rigorous narrative control to ensure authenticity; and 4) Proactively engage with local social communities as key agents of brand legitimization.

This study is not without limitations. Its single-case focus, while providing depth, limits generalizability. Future research could employ comparative methodologies, examining cases like SAIC-MG Rover or Tata-JLR. Quantitative studies measuring the correlation between specific brand narratives and sales data over time would provide valuable empirical validation.

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